

**SUBSTITUTE FOR
SENATE BILL NO. 961**

A bill to amend 1939 PA 280, entitled
"The social welfare act,"
by amending section 106a (MCL 400.106a), as amended by 2012 PA 356.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 106a. (1) This section shall be known and may be cited as
2 the "Michigan freedom to work for individuals with disabilities
3 law".

4 (2) The department of community health shall establish a
5 program to provide medical assistance to individuals who have
6 earned income and who meet all of the following initial eligibility
7 criteria:

8 (a) The individual has been found to be disabled under the
9 federal supplemental security income program or the social security
10 disability income program, or would be found to be disabled except

1 for earnings in excess of the substantial gainful activity level as
2 established by the United States social security administration.

3 (b) The individual is at least 16 years of age and younger
4 than 65 years of age.

5 (c) The individual has a countable income level of not more
6 than 250% of the current federal poverty guidelines for a family of
7 1.

8 (d) The individual's assets meet the medicare part D extra
9 help low income subsidy (LIS) and medicare savings program (MSP)
10 asset limit, as adjusted annually.

11 (e) The individual is employed on a regular and continuing
12 basis.

13 (3) The program is limited to the medical assistance services
14 made available to recipients under the medical assistance program
15 administered under section 105.

16 (4) Without losing eligibility for medical assistance, an
17 individual who qualifies for and is enrolled under this program is
18 permitted to do all of the following:

19 (a) Accumulate personal savings and assets not to exceed
20 \$75,000.00.

21 (b) Accumulate unlimited retirement and individual retirement
22 accounts with income from employment while enrolled in the freedom
23 to work for individuals with disabilities program. Assets described
24 in this subdivision shall remain excluded from eligibility
25 consideration for other medicaid programs for the individual even
26 if he or she loses eligibility under this section.

27 (c) Have temporary breaks in employment that do not exceed 24

1 months if the temporary breaks are the result of an involuntary
2 layoff or are determined to be medically necessary or for
3 relocation necessary due to employment in this state.

4 (d) Work and have income that exceeds the amount permitted
5 under section 106, but shall not have unearned income that exceeds
6 250% of the federal poverty guidelines.

7 (5) The department of community health shall establish a
8 premium that is based on the enrolled individual's earned and
9 unearned income. An enrolled individual shall pay a sliding fee
10 scale monthly premium based on an annual review of total gross
11 income as follows:

12 (a) No premium for individuals with gross income less than
13 138% of the federal poverty guidelines for a family of 1.

14 (b) ~~A premium of~~ **BEGINNING THE EFFECTIVE DATE OF THE 2014**
15 **AMENDATORY ACT THAT AMENDED THIS SUBDIVISION, A PREMIUM OF UP TO**
16 7.5% per month of gross income for individuals who have total gross
17 income between 138% of the federal poverty guidelines for a family
18 of 1 and \$75,000.00 annual adjusted gross income.

19 (c) A premium of 100% of the average freedom to work program
20 participant cost for an enrolled individual with adjusted gross
21 income over \$75,000.00 annually.

22 (d) The premium for an enrolled individual shall generally be
23 assessed on an annual basis based on the annual return required to
24 be filed under the internal revenue code of 1986 or other evidence
25 of earned income and shall be payable on a monthly basis. The
26 premium shall be adjusted during the year when a change in an
27 enrolled individual's rate of annual income changes.

1 (6) REVENUE RECEIVED FROM PREMIUMS COLLECTED UNDER THIS
2 SECTION SHALL NOT EXCEED \$3,000,000.00 PER YEAR.

3 (7) ~~(6)~~—If the terms of this section are inconsistent with
4 federal regulations governing federal financial participation in
5 the medical assistance program, the department of community health
6 may to the extent necessary waive any requirement set forth in
7 subsections (1) to ~~(5)~~-(6).

8 (8) ~~(7)~~—As used in this section:

9 (a) "Adjusted gross income" means that term as defined in
10 section 62 of the internal revenue code of 1986.

11 (b) "Countable income", "earned income", and "unearned income"
12 mean those terms as used by the department in determining
13 eligibility for the medical assistance program administered under
14 this act.

15 (c) "Federal poverty guidelines" means the poverty guidelines
16 published annually in the federal register by the United States
17 department of health and human services under its authority to
18 revise the poverty line under section 673(2) of subtitle B of title
19 VI of the omnibus budget reconciliation act of 1981, 42 USC 9902.